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COUNTRY Chile

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This document is hereby regraded to
CONFIDENTIAL in accordance with the
letter of 16 October 1967.
Director of Central Intelligence to the
Archivist of the United States.
Next Review Date: 23-5

1. The following observations covering the current political situation in Chile were obtained from a [redacted] and they are provided as a matter of general interest. 25X1A
2. President Gonzalez Videla finds himself subject to internal and external pressures. The Chilean Army is unanimously of the opinion that the Communist preponderance must be eliminated, for otherwise not only is Chilean collaboration with the continental defense plan menaced, but even the security of Chile itself. The Parties of the Right, especially the Liberals without whose support Gonzalez Videla cannot count on the cooperation of Parliament, are violently opposed to the Communists and are demanding a break with them, threatening otherwise not to ratify the Commercial Treaty with Argentina, which could be enough to oblige Gonzalez Videla to resign.
3. On the other hand, the recent elections demonstrate that the Left alone, without the support of the Communists, would no longer have any influence in the country and that the Radical Party would be finished if it broke with them. Furthermore, Communist influences are well entrenched at the Palacio de la Moneda. To give one example, the wife of the President is generally considered a full-fledged sympathizer of Russia and the Communists.
4. Gonzalez Videla's tactics are clever but a bit ingenious. He berates the Communists officially but tells them in secret that he will never let them be destroyed and that he acts as he does in order to obtain the support of the Liberals for the ratification of the Treaty with Argentina. He asks them not to make the delicate international situation difficult for the only friend that they have among the Presidents of South America and not to provoke incidents which would only serve to open the road to Fascism.
5. He threatens the Radicals with the imminence of a third world war, and with the necessity of avoiding a break with the other nations of Latin America. In this way, he forces them to approve of his official speeches against Communism and to continue to support him.
6. He tells the Liberals that he wishes to avoid a Communist Revolution and a general strike, being still unsure of the situation. If the other Latin American Republics adopt a frankly anti-Communist attitude he will "go with the wind" but that otherwise he does not wish to expose Chile to certain economic catastrophe.
7. The Communists were preparing a general strike on the 23rd of June on the pretext of solidarity with the bus drivers. The military assured the President they were

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ready, if he wished, to defend the constitution and that they had no fear of not being able to control the situation. However, on the 16th of June instructions came from the Communist Central Committee not to risk a trial of strength for the moment. Many well informed [redacted] believe that this order came from Moscow, for everything was prepared in Chile for strikes and disturbances on a large scale. 25X1X

8. The Chilean Communist Party has increased greatly recently, and they believe themselves to be the best organized political party in South America. Whereas formerly they were a party of laborers and poor intellectuals they have now gained many members among the farming population where formerly they had no influence. At present they control the overwhelming majority of the labor unions, the Socialists having lost ground on all fronts.
9. The Chilean Military leaders are sure that they can control Communist influence in the army if necessary, although they admit that the number of communist cells in the armed forces, especially in the navy and the air corps, has probably increased greatly of late. They are very much less sure of the situation in regard to the Police, especially in the nitrate regions in the north, as well as at the Iota and Schwager mines.
10. Slavic organizations, united in the Comité Coordinador Esclavo under the presidency of an ex-Russian officer, Lwow, are very active especially in the field of radio propaganda. The Soviet consul in Valparaíso is apparently even more active as a center of Slavic and Communist activities than is the Soviet Embassy itself in Santiago.
11. The Chilean Communists do not agree with the attitude of their comrades in Bolivia whom they think are not active enough. They consider the situation in Bolivia especially ripe for a great communist movement, but they complain that the Bolivian party lacks self-discipline and that they are losing many golden opportunities. Emilio Barraza, a well known communist leader, was reportedly travelling in Bolivia "incognito" in the early part of June on an inspection trip, accompanied by an employee of the Russian Consulate at Valparaíso.
12. In Peru, the Chilean Communists expect a great "joining of forces to follow forthcoming Aprista reverses". They consider General Odría as the man of the future in Peru, but they do not think that even he can stop the trend of the masses toward communism which they believe has made great progress in Cuzco and Arequipa.
13. The Casa de la Moneda is still considered an institution incapable of keeping any confidential matter a secret. There is no doubt among well informed sources that the Communists and the Soviet Embassy are fully informed concerning all details of Gonzalez Videla's meetings in Rio and in Buenos Aires.

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